



PRESS RELEASE

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FDIC LAUNCHES NEW CENTER FOR FINANCIAL RESEARCH

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) today announced the formation of the Center for Financial Research. The Center will sponsor research on key issues and developments affecting the banking industry, the role of banks and other financial services firms in the economy, risk management issues, regulatory policy and related topics of importance to the FDIC's mission of promoting financial stability in the American economy.

"Original, focused research leads to sound policy decisions," said FDIC Chairman Donald Powell. "The Center for Financial Research will bring some of the world's best minds in economics and finance to bear on crucial topics of the day. This Center will serve as a resource, not only for the FDIC, but for the banking, regulatory and research communities."

Six prominent economists will serve as Senior Fellows who will assist in guiding the Center: Alan Blinder (Princeton University), Robert Jarrow (Cornell University), Edward Kane (Boston College), Randy Kroszner (University of Chicago), Frederick Mishkin (Columbia University) and Maureen O'Hara (Cornell University).

Mark Flannery (University of Florida) will serve as the Director of the Center and coordinate the activities of all research programs. Professor Flannery is a founding member of the Center along with Arthur Murton (FDIC), Frederick Carns (FDIC), and Haluk Unal (University of Maryland).



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-113-2003

The Center for Financial Research will support research in five major programs, each led by a Program Coordinator: Deposit Insurance (George Pennacchi, University of Illinois at Urbana-Champaign), Risk Measurement (Robert Jarrow, Cornell University), Bank Performance and the Economy (Gary Gorton, University of Pennsylvania), Corporate Finance and Risk Management (Peter Tufano, Harvard University), and Policy and Regulation (FDIC and Center consultants).

The Center is soliciting research proposals in each of the programs listed above and will provide financial support for researchers whose proposals are selected. The Center also will sponsor a Visiting Research Fellows Program to provide support for resident scholars.

Planned activities include conferences, roundtables and workshops to promote the exchange of ideas among regulators, academicians and financial industry representatives. "At these meetings, academics and industry representatives will serve as sounding boards and provide valuable feedback on regulatory policies, and regulatory and industry economists can help academics identify relevant research topics," said Arthur Murton, FDIC Director of Insurance and Research.

The announcement was made at a December 5-6 conference on banking and finance that gathered academics, regulators and other experts from around the world. Key speakers at the conference included Nobel Laureate Daniel Kahneman of Princeton University and Raghuram Rajan of the University of Chicago and the International Monetary Fund.

Additional information on the Center for Financial Research is available at www.fdic.gov.